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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,  
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

October 27, 1928.

Vol. VI, No. 22.

## COOPERATIVE BUSINESS LAST YEAR

Farmers' cooperative associations transacted business to the amount of \$2,300,000,000 in the 1927 marketing season, according to a preliminary report by the Division of Cooperative Marketing of the Department of Agriculture. for the 11,400 active associations listed by the Department. This figure is less by \$100,000,000 than the total business for the 10,803 associations listed by the Department in 1925. However, the price level for 1927 was lower than that for 1925. Had prices of farm products, and the prices of supplies bought by farmers, been as high in 1927 as in 1925 the total business of the cooperatives would have been in excess of \$2,500,000,000.

The largest amount of business credited to any one group was \$680,000,000, this being the sum of the transactions by the associations handling grain. The associations marketing dairy products had a total business of \$620,000,000; the livestock associations, \$320,000,000; the fruit and vegetable associations, \$300,000,000; the associations marketing cotton, \$97,000,000; the poultry and egg associations, \$40,000,000; the nut marketing associations, \$14,600,000; tobacco associations, \$22,000,000; and the associations handling wool, \$7,000,000. The business of the associations selling miscellaneous products and buying farm supplies amounted to nearly \$200,000,000.

Some lines of activity which were important in 1915 were of less relative importance in 1927. This was not because of a decline in the amount of business transacted by these groups but because of a very great increase in the amount of business being reported by the associations in other groups. The associations handling dairy products and shipping livestock have made enormous strides since 1915 while the associations handling grain, fruits and vegetables have made gains of about one hundred per cent and fifty per cent respectively.

The West North Central States led in cooperative activity in 1915, in 1925 and in 1927. The Pacific States were in second place in 1915 but had dropped to third place in 1925 where they remained in 1927. In 1925 the South Central States had advanced in relative importance as compared with 1915 but by 1927 had slipped back slightly. California associations reported a larger amount of business for 1927 than the associations for any other state, the estimated total being \$226,320,000. More than half of this business represented activity by the 285 fruit and vegetable associations.

COOPERATIVE IS FINANCED WITHOUT CAPITAL STOCK

The capital required by the Cooperative Growers' Association, Inc., Beverly, N. J., has been obtained through the issuing of bonds and of certificates of indebtedness. Six per cent bonds in the sum of \$12,000 have been issued, secured by a first mortgage. In addition a portion of the yearly deduction from sales is converted into five-year certificates of indebtedness, another portion is set aside as a reserve for contingencies, and a portion is added to surplus. On January 1, last, bonds outstanding amounted to \$9,800, outstanding certificates of indebtedness to \$32,876, reserve for contingencies to \$4,000, and surplus to \$10,947.

This association, formed in 1918, is engaged in marketing peaches, apples, pears, cherries, peas, beans, lima beans, and corn; and in purchasing for its members, packages, spraying material, seeds, fertilizers, etc. Sales of farm products amounted to \$923,310 in 1927, and sales of farm supplies to \$168,112, making a total business for the year of \$1,091,422. About 270 farmers are served by the organization.

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TRUCK ASSOCIATION AFFECTED BY BAD WEATHER

"From a financial standpoint .... one of the most disastrous seasons truck growers have experienced for many years," is the report of the Marietta Truck Growers' Association, Marietta, Ohio. Prices were lower than normal and weather conditions adverse. Heavy rains cut the tomato crop by one-half and reduced the cabbage from fancy grade to choice, making much of it unsaleable. The association shipped 759 cars of produce compared with 1,035 cars last year.

Tomatoes, cabbage, cucumbers and sweet corn, are the main lines of produce handled. This year the association sold 178,823 baskets of fancy tomatoes and 76,794 baskets of choice, in comparison with 324,522 fancy and 42,063 of choice in 1927. Cabbage shipments were as follows: 108,863 crates of fancy and 4,268 crates of choice this year against 117,742 of fancy and 13,505 of choice in 1927. Shipments of cucumbers were 1,500 hampers below last year's figures, but corn shipments totaled nearly 3,000 hampers more than last year, and a new feature was the separation of white and yellow varieties.

The association has planned to make a refund of one per cent of net sales to its members this year, instead of one-half of one per cent as last year. Only enough funds for regular expenses are retained by the association, in addition to an emergency surplus.

SUCCESSFUL YEAR FOR NORTH DAKOTA ELEVATOR

In the year ending May 31, 1928, the Minot Farmers' Cooperative Elevator Company, Minot, N. Dak., handled 572,274 bushels of grain valued at \$609,580. Wheat made up about one-half of the total, and rye one-third, the remainder being durum, flax, oats and barley. Gross earnings on grain amounted to \$35,788. This was augmented by sales of screenings, feed corn, and twine, and by interest and rent, making total gross earnings of \$42,681. Expenses amounted to \$10,722, and \$811 was charged for depreciation, leaving net earnings of \$31,147. After paying an 8 per cent dividend on share capital and applying \$183 to surplus, the sum of \$30,034 was distributed as a patronage dividend.

Formed in 1915 with about 125 shareholders, the company now has 320 shareholders and serves about 750 patrons. It buys seed and twine besides handling grain.

The financial statement dated June 1, 1928, shows real estate valued at \$9,500; building and equipment, \$16,230; capital stock, \$11,610; reserve for depreciation, \$8,853; and surplus, \$11,534.

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CANADIAN WHEAT POOL SETTLES FOR 1927 CROP

With the distribution of \$4,722,105 on October 11, the Canadian Cooperative Wheat Producers, Ltd., Winnipeg, completed its payments for wheat delivered to the 1927 provincial pools. This final distribution was a flat payment on all grades of two and one-quarter cents per bushel, as all marketing costs and elevator and commercial reserves had been deducted from the second interim payment.

This brings the final price for the 1927 pool to \$1.42 $\frac{1}{4}$  on No. 1 Northern wheat at Fort William. For the 1926-27 season the price was \$1.42; in 1925-26, \$1.45; 1924-25, \$1.66; and in 1923-24, by the Alberta pool, \$1.01.

Four payments have been made during the year, an initial advance of one dollar, a first interim payment of 15 cents, a second of 25 cents, and the final payment of 2 $\frac{1}{4}$  cents.

The management is gratified that it was able to make the final settlement a little earlier than last year when the work was completed on October 19. Making the deductions from the second interim payment instead of from the final payment aided in accomplishing this result, and another factor was the special effort made by the office staff. By working long hours and using special machinery, as many as 18,400 checks were written in one day.

The detailed statement of the season's operations will be available after the annual meeting of delegates on November 20.

ALBERTA WHEAT POOL OPENS VANCOUVER TERMINAL

When the new terminal elevator of the Alberta Cooperative Wheat Producers, Ltd., opened for business on the morning of September 28, at Vancouver, 45 cars of grain stood in line waiting to be unloaded. As the terminal is equipped to receive 18 cars per hour, the line was soon reduced. The elevator has a capacity of 2,400,000 bushels, and can load 60,000 bushels per hour. The loading galleries have 20 spouts and the dock, 1409 feet long, provides space for three ships to be loaded at once. The Alberta pool now has storage space of 4,050,000 bushels at Vancouver, and a total terminal capacity of 5,200,000 bushels on the Pacific Coast.

Excellent progress is reported in the country elevator program. During 1928, 104 elevators have been erected, 76 have been purchased or leased, 19 are now under construction, and 41 are yet to be built.

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SOUTH DAKOTA ALFALFA SEED ASSOCIATION

The 1926 and 1927 pools of the Western South Dakota Alfalfa Seed Growers' Exchange, Rapid City, S. Dak., have been closed and returns have been made to the 600 member producers. There was a total of 1,069,522 pounds of seed in 24 of the 1926 pools. Many of the grades of seed sold at prices which gave the producers net returns in excess of 30 cents a pound. One pool containing more than 6,000 pounds made returns to the producers of 35.83 cents a pound. The total sales value of the seed marketed was \$261,058, of which amount 88 per cent was returned to the producers.

Seventeen pools of the 1927 crop of seed, containing 227,351 pounds, sold for \$62,711, and of this amount 89 per cent was paid to the producers.

This association was organized in 1921 with less than 200 members. It has grown year by year until now it is marketing seed for more than 600 producers. It has been under the same management from the first, one of the large seed growers having served continuously as president and general manager.

In addition to several kinds and grades of alfalfa seed, white and yellow sweet clover seed is also marketed. When the association first started much of the seed handled was sold to the trade, now approximately 80 per cent of all seed is sold direct to farmers in the eastern states.

The association makes a flat charge of three cents a pound on all seed handled. Out of the income thus derived it meets all association expenses, including the cost of advertising. In addition it is accumulating a substantial surplus.

A WASHINGTON DAIRY COOPERATIVE

There has been a big increase in the activity of the Whatcom County Dairymen's Association, Bellingham, Wash., since its organization in 1919. The association is engaged in converting raw milk into butter, cheese, milk powder, ice cream, and other dairy products and in marketing these, also in manufacturing poultry feeds for its patrons.

Data show that the pounds of milk received from patrons has increased from about 41,620,000 to more than 68,930,000 pounds in the six and one-half years, as will be noted by the following figures:

Year	Milk received (Pounds)	Butter made (Pounds)	Cheese made (Pounds)	Milk Powders made (Pounds)
1922	41,619,210	3,906,720	569,551	2,076,515
1923	56,073,894	3,179,069	447,969	2,860,489
1924	64,778,056	3,291,587	483,704	3,874,928
1925	60,579,785	3,072,584	530,676	3,494,791
1926	69,483,460	3,368,668	323,020	3,777,842
1927	68,933,631	3,682,108	409,738	3,977,536
1928	*37,131,063	*1,935,148	*199,521	*2,162,912

\*Six months ending June 30.

About 70 per cent of sales has been returned to producers, and the prices paid producers for 3.8 per cent milk have varied from \$1.86 to \$2.18 per 100 pounds. The figures year by year are as follows:

Year	Sales	Per cent of sales to producers	Returns to producers per 100 lbs of milk*	Net worth**
1921	\$ - - - -	-- -	\$- - -	\$107,930
1922	1,555,594	-- -	- - -	172,849
1923	2,132,000	-- -	2.10	267,981
1924	2,202,684	70.3	1.16	342,162
1925	2,384,472	70.0	2.18	413,414
1926	2,588,434	69.8	2.13	500,307
1927	2,681,628	68.2	2.18	539,492
1928	#1,372,353	#71.9	#2.17	##574,062

\* Milk, 3.8 per cent butterfat. . # Six months ending June 30.

\*\*December 31. ## June 30, 1928.

NEW ZEALAND DAIRY COMPANY STILL INCREASING

About 500 New Zealand farmers attended the annual meeting of the New Zealand Cooperative Dairy Company, Ltd., Hamilton, N. Z., and heard the reports presented by the officers of their organization. In spite of an unfavorable season with a long period of drought, the association received 594,297 pounds more butterfat than in the preceding year.

Gross returns amounted to £6,333,849 during the 1927-28 season, an increase of £1,266,608 over the previous year. Butter and fertilizers were the items showing the largest increases. Sales of butter amounted to £4,263,089, an increase of £570,920 over 1926-27, and sales of fertilizers increased by £59,275.

Paid-up capital which stood at £1,000,039 last year, has now reached the sum of £1,056,041, a gain of £56,002. The reserve fund increased by £25,801 and now stands at £54,387, with an additional insurance reserve of £6,306.

Purchases for the butter account amounted to £3,170,459, made up as follows: milk, £3,070,548; whey cream, £11,185; manufacturing supplies, £4,718; packages, £84,009. The company paid producers a bonus on butter which averaged 2.121d. and amounted to £426,981.

Operations of the trading department resulted in a turnover of £205,409, compared with £109,768 the previous year, with 90 per cent of the increase due to sales of separators. Fertilizers, coal and merchandise were some of the commodities handled. The manager reported that on fertilizers alone the company saved its members £56,082 the past season and a total of £77,356 since it undertook this line of business.

Profits of the box factory amounted to £25,020 which sum was distributed to the different factories on the basis of the containers used. The rebates were as follows: butter factories, £21,763; cheese factories, £1,208; milk powder factories, £2,049.

Office and general administration expenses for the year amounted to £35,547, or £2,225 less than the previous year. The sum of £17,542 was set aside for depreciation and £106 for bad debts. Investments included £10,000 in the New Zealand Dairy Finance, Ltd., and £2,000 in the Amalgamated Dairies, Ltd.

The New Zealand Dairy Finance, Ltd., is a subsidiary organization formed two years ago to aid producers who are in need of funds. Since its organization it has made loans to approximately 900 farmers, with an average amount of about £200. The volume of its business for each year is given as follows: 1925-26, £25,000; 1926-27, £67,000; 1927-28, £83,000. Of the total amount £115,000 has been repaid and £60,000 is outstanding. The operations of the subsidiary are reported as satisfactory, and it has assisted many farmers in times of need. Recently the Government has made provision for loans to farmers under the Rural Intermediate Credit system and the finance company has negotiated with the Rural Intermediate Credit Board for loans at  $6\frac{1}{4}$  per cent.

COUNTY ASSOCIATION SHIPS FROM SEVEN POINTS

The livestock department of Wells County Farm Bureau Federation, Inc., Bluffton, Ind., operates as a county-wide shipping association. Local managers attend to the assembling and shipping of livestock under the direction of a county manager. During 1927, shipments were made from seven points, these shipments having a total sales value of \$422,788. Originally there were ten separate associations in the county but in March of 1920 these joined in the formation of the Wells County Farmers' Association, which later became the livestock department of the incorporated farm bureau organization. Cream, eggs and poultry are handled by the produce department of the county organization.

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REPORT FROM MOOSE JAW STOCK YARDS

A net surplus of \$12,302 resulted from the operations of the Southern Saskatchewan Cooperative Stock Yards, Ltd., Moose Jaw, Sask., for the 12 months ending April 30, 1928. During the year the association made improvements about the yards to the value of \$5,932. Capital reserve was increased from \$38,033 to \$46,372, and an 8 per cent dividend was declared on paid-up share capital.

Disposition of livestock from this provincial stock yard for the past four years is indicated in the following table:

Shipped to	Year ending April 30			
	1925 (Animals)*	1926 (Animals)	1927 (Animals)	1928 (Animals)
British Columbia	1,577	119	2,282	2,569
Alberta	969	3,462	4,905	4,408
Saskatchewan	10,855	18,543	21,307	11,352
Manitoba	88,136	92,352	56,278	52,562
Ontario	49,592	69,285	54,198	24,784
Quebec	24,550	17,861	10,868	3,758
New Brunswick	-----	41	-----	-----
Nova Scotia	-----	10	-----	-----
United States	7,259	4,293	2,310	21,059
Export	5,078	5,411	1,682	92
Local packing plant	-----	-----	74,701	41,106
Local abattoir	3,680	12,994	2,767	3,614
Driven out	7,626	6,226	5,598	6,236
Total	199,322	230,597	236,896	171,540

\*Cattle, hogs and sheep.

SASKATCHEWAN POULTRY POOL PLANNING CARLOT SALES

Officials of the Saskatchewan Cooperative Poultry Producers, Ltd., are planning for shipping dressed poultry from the province in carlots. They plan to send representatives into districts where poultry is raised in sufficient quantities to warrant carlot shipments and these representatives, in cooperation with the pool secretary, are to instruct the producers on all matters of recording, weighing, packing, and shipping. In those communities where there is enough poultry for carlot shipping, arrangements will be made to conduct a killing and dressing demonstration.

The association will furnish all necessary boxes, paper wrappers, etc., and an official of the Government will grade the fowls as they are loaded. Pool representatives will supervise the packing, loading, weighing, and paying, but the actual work is to be done by the producers themselves, as an educational proposition.

Special service will be provided for producers in districts where carlots are not practicable. Growers will receive the dressing bulletin and will be instructed as to where and when they can ship their poultry for sale through the pool. Considerable quantities were assembled in this way last season and the experience gained will be of value this year.

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TEXAS FARMERS MARKET TURKEYS COOPERATIVELY

The present season will be the fifth that the members of the Farmers' Cooperative Poultry Association, San Angelo, Tex., have been marketing their turkeys cooperatively.

They started out to ship live turkeys to the Texas markets but, after two years of experience, reached the conclusion that if they were to obtain the best results, they would have to kill, dress, pack and deliver at the eastern markets birds in condition for immediate sale. A dressing and packing plant was erected, which has been entirely paid for. Farmers are required to give notice in advance as to the number of birds they wish to market for the Thanksgiving trade and the number for the Christmas trade, then they are assigned days for delivering, these assignments being arranged to keep the plant operating steadily at full capacity. Much of the work in the plant is done by the farmer-members under the direction of farmer-foremen who have been given special training.

About twelve car loads of dressed turkeys are sent to market each fall, this quantity, the management states, represents about 95 per cent of the turkeys produced about San Angelo. Each member of the association signs a seven-year contract which covers all his poultry products. So far, with the exception of one season when eggs were marketed, the association has confined its activity to the marketing of the turkeys.

COOPERATIVE MARKETING OF WOOL CLIP

In round figures, 20,000,000 pounds of wool of the 1927 clip, with a sales value of \$7,000,000 was marketed through cooperative agencies. These figures are estimates based on reports to the Department of Agriculture from 53 of the cooperatives handling wool.

Three-fourths of the 20,000,000 pounds was marketed by about 20 large-scale or state-wide associations, and one-fourth by more than 70 independent local associations and local pools.

The total number of members, including consignors, in 1927 is estimated at 25,000. The greater part of this membership was in associations in the Mississippi Valley states, where farm flocks are numerous.

The associations with a large volume of business per member were located in the Rocky Mountain and Pacific Coast States where the ranch method of wool production prevails.

The average number of members for the large-scale associations reporting for 1927 was 905. The average quantity of wool handled per association was 903,085 pounds. The average value of the wool per association was \$283,165; per member, \$299; and per pound, 35.5 cents.

The independent local associations, which handled about one-fourth of all the wool marketed cooperatively had an average membership, including consignors, of about 150. The average quantity of wool handled per association in 1927 was more than 131,000 pounds. The average value of the wool marketed by these independent organizations was \$43,458 per organization, the average value per member was about \$330, and the average value per pound was 34 cents.

The largest association, measured by the number of pounds of wool of the 1927 clip handled, was in Oregon and the next largest in Ohio. About one-half of the total cooperative activity was by associations in three states, Oregon, Ohio, and Utah. One association in Montana forwarded more than three-quarters of a million pounds of wool to market last year.

The number of pounds of wool marketed cooperatively per member (or consignor), has more than doubled during the eight years beginning with 1920, as is indicated by figures compiled for the associations reporting both members and pounds of wool. The averages are as follows: 1920, 418; 1921, 554; 1922, 527; 1923, 563; 1924, 627; 1925, 936; 1926, 973; 1927, 869.

The number of consignors, quantity of wool received, and sales value by type of association for the associations reporting wool transactions to the Department of Agriculture, have been tabulated for the years 1920 to 1927 inclusive and are given in the table on the following page:

Consignors of wool, quantity consigned, and sales value of wool marketed cooperatively, 1920-1927

Year	Large-scale associations	Independent local associations and local pools	Associations handling wool as a side line	All associations
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#### CONSIGNORS

	(Number)	(Number)	(Number)	(Number)
1920	(4)* 15,634	(10) 2,414	(2) 245	(16) 18,293
1921	(6) 18,755	(14) 2,755	(3) 219	(23) 21,729
1922	(9) 12,687	(21) 2,524	(5) 241	(35) 15,452
1923	(14) 18,104	(21) 3,714	(7) 241	(42) 22,059
1924	(18) 17,648	(25) 3,953	(8) 267	(51) 21,868
1925	(17) 20,560	(31) 4,230	(8) 266	(56) 25,056
1926	(17) 18,266	(30) 5,192	(7) 357	(54) 23,815
1927	(11) 9,954	(30) 4,463	(4) 166	(45) 14,583

#### QUANTITY OF WOOL

	(Pounds)	(Pounds)	(Pounds)	(Pounds)
1920	(5) 5,778,057	(9) 2,063,524	(2) 68,000	(16) 7,909,581
1921	(9) 11,569,494	(15) 1,335,422	(3) 48,000	(27) 12,952,916
1922	(16) 7,019,510	(27) 3,456,829	(9) 81,944	(52) 10,558,283
1923	(20) 14,511,756	(27) 4,166,111	(18) 121,811	(65) 18,799,678
1924	(23) 12,694,430	(32) 4,369,734	(16) 103,810	(71) 17,167,974
1925	(20) 20,383,102	(33) 4,745,261	(10) 56,324	(63) 25,184,587
1926	(19) 20,215,116	(36) 5,328,208	(7) 67,731	(62) 25,611,055
1927	(13) 11,210,913	(34) 4,492,891	(6) 51,501	(53) 15,755,305

#### SALES VALUE

1920	(6) \$1,942,000	(9) \$ 450,416	(1) \$ 2,584	(16) \$2,395,000
1921	(11) 3,417,685	(19) 524,833	(3) 18,719	(33) 3,961,237
1922	(15) 2,915,787	(26) 1,228,989	(8) 24,258	(49) 4,169,034
1923	(19) 6,900,068	(27) 1,957,778	(15) 43,693	(61) 8,901,539
1924	(22) 5,382,776	(34) 1,815,744	(15) 43,241	(71) 7,241,761
1925	(19) 7,625,547	(33) 2,126,743	(11) 28,868	(63) 9,781,158
1926	(16) 4,863,837	(34) 1,773,104	(5) 21,107	(55) 6,658,048
1927	(11) 2,881,965	(38) 1,666,612	(6) 20,135	(55) 4,568,712

\* Number of associations reporting indicated in parentheses.

NEW COTTON CONTRACT IN EFFECT IN TEXAS

The new contract of the Texas Farm Bureau Cotton Association, Dallas, is now in effect, with its provisions for price fixation pools, and withdrawal privileges. Members are reminded that they may now designate the day on which they wish the price of their cotton fixed, but that they must sign the new contract before they can ship cotton to the new pools. Some members signed the by-law amendments authorizing the new pools but did not sign the new contract at that time, and their attention is now called to this fact. The regular seasonal pool is also in operation.

New draft cards issued by the association provide a space for inserting the local street price of middling cotton on the day of shipment, and the management requests all members to furnish this information.

Until further notice the association will advance \$60 per bale on each shipment averaging 500 pounds or more to the bale. On shipments averaging less than 500 pounds to the bale, the advance will be 12 cents per pound.

On October 1 the association had sent out weight and grade sheets on 21,642 bales.

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MISSISSIPPI COTTON ASSOCIATION OPENS BRANCH OFFICES

Convinced that one weakness of the association was that its office was too far away from the members, the Mississippi Farm Bureau Cotton Association, Jackson, has opened five branch offices, at Jackson, Grenada, Topelo, Meridian, and Hattiesburg. These branch offices will receive, class and settle for cotton and will bring the association much nearer to its members. All members are invited to visit the nearest office, become acquainted with those in charge, and learn more about how the organization is carried on and what it can do for them. By effecting certain economies the management is able to offer this branch office service without increasing the budget. Other branch offices may be opened in the future at points where 15,000 or more bales of cotton can be assembled.

The association has now operated two years under the flexible-pooling, members' option, and voluntary withdrawal plan, and the management is encouraged at the great increase in deliveries. Members are urged to inform their neighbors regarding the services the association can render, and for their convenience publishes a list of the most essential services.

HALL INSURANCE FOR SASKATCHEWAN FARMERS

Hail losses of members of the Saskatchewan Municipal Hail Insurance Association totaled \$240,222 more in 1927 than in 1926. However, the board of directors decided to levy the same crop rate as in 1926, and take \$71,000 from the reserve rather than increase the rate, especially as the grade and yield of wheat had been lowered by rust. A flat rate of four cents per acre is charged on all farm land, with additional varying crop rates which average 14 cents an acre on land covered by insurance in the amount of \$5 an acre. This plan was put in operation in 1924 and is considered an equitable system.

Revenues for the present year are computed on the basis of 13,899,799 acres at a flat rate of four cents, \$555,992; and 5,917,818 acres, actually insured at varying crop rates, less cancellations, \$867,983; a total of \$1,423,975.

Acreage insured and amount of insurance at \$5 an acre for the past four years has been as follows:

	1924	1925	1926	1927
Acres insured	5,171,148	5,470,693	5,811,584	5,917,818
Amt. of insurance	\$25,855,740	\$27,353,465	\$29,057,920	\$29,589,090

Figures covering the operations of the last nine years, as compiled by the Saskatchewan Department of Agriculture, are shown in the following table:

Year	Revenue receivable	Claims (Number)	Amount of claims	Cost of administration
1919	\$2,190,909	7,838	\$1,916,443	\$ 60,732
1920	1,137,112	2,979	706,236	50,819
1921	1,614,472	7,633	1,762,886	73,977
1922	1,191,241	2,761	337,084	56,315
1923	1,429,404	6,130	1,257,757	74,388
1924	1,091,413	3,333	516,197	59,842
1925	1,244,112	2,668	669,555	60,613
1926	1,513,311	5,218	1,256,976	73,627
1927	1,543,211	7,593	1,497,208	91,226
	\$12,955,185		\$9,920,342	\$ 601,639

Nine more rural municipalities joined this association during the past year, bringing the total of such members to 138.

NEGLIGENT FUMIGATING RENDERED ASSOCIATION LIABLE

The case which Oscar E. Andreen, a member of the Escondido Citrus Union, Escondido, Calif., brought against that organization was recently decided by the California District Court of Appeals, and is reported in 269 Pacific 556.

The association is a corporation organized under the laws of California. Its stock is held by Andreen and other owners of citrus orchards within the territory served by the association.

Andreen is the owner of nine acres of citrus trees, and the complaint filed by him stated that on September 24, 1924, the association, through its agents and employees, caused his orchard to be fumigated with hydrocyanic gas; that the fumigation was done without his consent and against his will; that it was done in a negligent manner; that it was done when climatic conditions were not favorable to fumigation, there being a fog at the time; that the mixture was too strong and that it was applied in excessive quantities. All these allegations were denied by the association. The jury returned a verdict in favor of Andreen and awarded damages in the amount of \$2,250. The association appealed.

In the course of its opinion, affirming the judgment of the lower court, the District Court of Appeals said that a number of witnesses, including officers of the association and county officers who saw the orchard after it had been fumigated testified that it had been burned and damaged by the fumigation; that even the witnesses for the association who visited the orchard within six months after the fumigation admitted that it was damaged by the fumigation in a greater or less degree; and that there was evidence of loss of crop and of damage to the trees amply sufficient to support the amount of damages awarded by the jury.

H. M. Bain.

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STOCKHOLDERS HELD NOT LIABLE ON NOTES

The case of Farmers Cooperative Union, Lyons, Kans., et al. v. Alderman et al., is reported in 267 Pacific 1110. The Union, a corporation organized under the laws of Kansas, became financially embarrassed and could not continue in business without financial assistance from the stockholders. At the annual meeting in April, 1921, attended by a large majority of the stockholders, the financial condition of the Union was made known to those present. In the course of the meeting the suggestion was made that for the

purpose of carrying on the business in the future, and continuing the business of the corporation each stockholder should pledge himself for the sum of \$350 to indemnify and save the directors harmless from any loss for becoming personally responsible to the creditors of the corporation for the money to carry on the business.

A resolution to that effect was adopted. Soon after the adoption of the resolution and the plan of carrying on the business, a number of the stockholders executed promissory notes to pledge their personal obligation in accordance with the resolution.

This suit was brought against Alderman and the other defendants, all of whom were stockholders, for the purpose of obtaining contribution from each of them on account of the obligations incurred by the officers and directors of the Union.

The petition of the Union and those joined with it in the suit (the president and the members of the board of directors) alleged that, relying on the action of the stockholders, they incurred obligations in the sum of \$20,000, and that the assets of the corporation at the time the action was commenced did not amount to \$3,000.

Not all of the stockholders signed notes. It was the contention of the Union, however, that the

plan adopted was knowingly and willingly adopted by the stockholders, each pledging his personal obligation in the sum of \$350 for the purpose and with the intent of the stockholders, who voted for the resolution and adopted the same, and afterward ratified, confirmed, and approved the plan, that they should become personally responsible and liable as partners with the corporation in the future operation of the business of the corporation.

In answer to this the court said that the facts alleged show that the defendants were stockholders in the Union, not partners with it, nor with other stockholders.

With respect to the liability of those stockholders who had signed notes, the court said:

Were the defendants who signed the notes liable thereon? The notes were nonnegotiable, and were made payable to the plaintiff corporation. The notes were signed pursuant to the resolution adopted at the stockholders' meeting. That resolution provided that each of the stockholders should sign notes. Some of the stockholders did not sign notes. To make the notes obligatory on those who did sign, all should have signed. When any one failed or refused to sign, no obligation to pay was imposed on those who did sign. The stockholders present at the stockholders' meeting could not bind those not present who failed or refused to comply with the terms of the resolution. They were stockholders, and their rights as such could not be affected by the resolution that was adopted. Not being binding on them, the notes were not binding on the others. All were bound or none.

H. M. Bain.

USE OF SURVEYS IN TEACHING AGRICULTURAL COOPERATION, No. 2

An agricultural teacher frequently finds that farmers in his community are interested in forming an association to market a certain commodity or to buy farm supplies. The teacher can be of service in directing a survey which can be carried on by a committee of farmers or by a group of high school students who are studying cooperative marketing in class.

One of the first steps is to collect and analyze information regarding the conditions under which the product is produced and sold. What quantity is produced in the community? Is this quantity fairly constant, or does it fluctuate from year to year? Is the trend of production upward or downward? What varieties are grown? Are they varieties which are suitable for market? How has the product been handled and graded previously, and how has it been sold? The general problem may be studied under the following subdivisions, or such others as appear desirable:

1. The Need for an Association.--Possibly the marketing system employed by the farmers is uncertain. Farmers selling to "cash buyers" often find that these buyers are not in the market when there is a large crop and farmers are most in need of marketing service. Possibly also the farmers are paying too much for packing, warehousing or marketing service; or possibly the product is being sold in such a way that farmers are not encouraged to produce the best varieties and the best grades.

2. What an Association Can Accomplish.--Can an association improve the quality of a product, the methods of harvesting, grading, storing, etc.? Can it provide improved local service, or, at a reduced cost, the same service and facilities as at present? Can it give the growers continuous marketing service? Can it reduce the cost of marketing, and, what is most important, can it distribute and sell the products more efficiently than is done under the existing system?

3. Volume of Business and Operating Expense.--Before a definite decision can be reached regarding the advisability of organization, it is necessary to determine as nearly as possible the cost of performing the services which the association will undertake. The committee should, first, obtain fairly definite figures regarding the volume of business which the proposed association will handle and prepare a budget of the association's anticipated expenses. Probably expenses can thus be expressed in terms of cost per car load, hundredweight, or other units of the commodity. Such an analysis of probable expenses will be an index of the probable success of the association and will serve as a check on unwise expenditures.

4. The Farmers' Attitude Toward Cooperation.--Through this survey an attempt should be made to measure the farmers' attitude and their understanding of the possibilities and limitations of cooperation. From conclusions on this point, an indication of the probable success of the proposed association can be obtained.

It is not expected that conditions will ever be completely favorable in any community for the formation of a cooperative association. An analysis of the favorable and unfavorable factors, however, and a clear understanding of these factors will greatly enhance the possibility of success, if organization is undertaken.

SUGGESTED READING FOR COOPERATORS, NO. 6

A volume of historical value is "The Modern Farmer in His Business Relations," by Edward F. Adams, published by N. J. Stone & Co., San Francisco, 1899. The author, now retired, was an editorial writer on the San Francisco Chronicle for some years. He was also a farmer and a promoter of the cooperative movement in California in the early days of the fruit organizations. He states that after 25 years of business life he became interested in the development of farmers' cooperative societies, but when he tried to induce growers to join such societies he found no common ground between himself and his audiences. The farmers believed so many things which he knew were untrue that he wrote this book, which he describes as "an elementary treatise in applied economics in which the farmers' interests are employed as a constant standard of comparison." His purpose was to set the farmers to thinking about the many factors that influence markets and prices, and the relations between their own interests and those of other people and industries, in order that they might adjust themselves to circumstances which they could not control. "This book is not written to prove anything whatever, but to render such aid as it may to those who wish to find economic truth wherever it is." In order to secure better distribution the book was sold on subscription.

While the book was intended to be a study of principles rather than a record of events, it is both, and contains much otherwise unrecorded history. The author was familiar with the earliest fruit marketing associations of California and describes in some detail those handling soft fruits, raisins, dried fruits and nuts, citrus fruits, and grapes. His experience as a cooperative leader gave him an understanding of the frailties of human nature, which called forth some caustic comments. He had little admiration for the contract breaker or for the man who stood back and let others do the work, but he saw these types must be reckoned with, and concluded, "Cooperative enterprises must be projected in the light of human nature as it is, and not as we may wish it might be, or hope it may become."

Clarence Poe, widely known as an editor of the Progressive Farmer, and also for his interest in the cause of cooperation among farmers, wrote a book in 1915 bearing the title "How Farmers Cooperate and Double Profits," (Orange Judd Company, New York) His introduction is an inspiring call to leadership -- that greatest need of the cooperative movement. Convinced that the farmer must take complete control of his business, he points the way in which it may be done by citing examples of how others have done and are doing just that thing. The volume was intended as a guide book for cooperators and the stories, collected at first hand by the author, are condensed, pertinent and entertaining, covering a wide variety of organizations in the United States and several European countries.

Chastina Gardner.

CANADIAN PROVINCE AIDS ITS FARMERS

Two hundred forty-three agricultural cooperatives of Saskatchewan, largely local associations engaged in the purchase of farm supplies, contributed information for the eighteenth annual report of the Commissioner of Cooperation and Markets. The figures do not include data for the wheat pool, creameries, cooperative terminal stock yards, and other large-scale associations. The 243 associations had 13,867 shareholders, paid-up capital of \$547,888 and reported combined net earnings of \$128,566. Selected figures showing the development from year to year, are given below:

Year	Associations reporting	Supplies handled	Livestock handled	Other farm products	Total sales
1914	102	\$ 239,320	\$ 42,034	\$ -----	\$ 281,354
1915	173	805,457	150,512	8,923	964,892
1916	279	1,984,546	323,171	15,115	2,122,832
1917	304	3,076,466	1,050,285	33,511	4,160,262
1918	329	3,664,222	1,558,621	55,323	5,278,166
1919	350	4,506,182	1,576,083	107,326	6,189,591
1920	337	5,885,386	1,429,309	80,220	7,314,695
1921	343	4,406,060	607,877	12,885	5,026,822
1922	321	3,332,517	749,361	25,361	4,107,239
1923	304	2,936,353	657,480	49,668	3,643,501
1924	304	2,759,565	763,948	32,553	3,562,066
1925	260	3,160,138	737,115	43,069	3,940,322
1926	258	3,188,151	756,804	29,796	3,974,751
1927	243	3,369,098	476,224	16,582	3,861,904

During the past year 25 new associations have been registered. These cover a wide variety of enterprises, including a number of community hall associations. In the same period 12 associations have been dissolved and 32 others have been removed from the list as they have gone out of business.

The Cooperation and Markets Branch has given considerable attention to assisting poultry producers. Field men have been teaching the people how to cull their own flocks. After instructions and demonstrations the owners are encouraged to handle their own birds and some will be able to do the work for themselves next year. In all, 763 flocks were culled, a total of 46,674 birds; the total number of culled was 15,542, an average of 33.3 hens culled out.

Turkey raising has also been aided, a special feature being to assist the farmers to produce the types needed to meet market demands. A system of branding birds of approved types was started and proved of value.

Potato marketing and community sales were among the other activities in which this branch of the Department of Agriculture helped the farmers.

REPORTED BY THE ASSOCIATIONS

From the middle of June to the middle of August the Credit Union National Extension Bureau, Boston, Mass., added 28 new credit unions to its lists. These organizations were formed in 16 states; some by postal employees, some by other Federal employees, and others by industrial groups.

An orchard of 740 acres of bearing oranges and grapefruit in California recently changed ownership and became a member of the Riverside-Arlington Heights Fruit Exchange, one of the units of the California Fruit Growers' Exchange. The fruit from this orchard is now being packed at the Riverside plant and sold through the overhead organization.

Alabama farmers have purchased more than one million pounds of winter legume seed this fall through the Alabama Farm Bureau Mutual Supply Association, Montgomery. This quantity is enough to plant 50,000 acres of Alabama land. It included nearly 800,000 pounds of vetch seed and 247,000 pounds of Austrian peas. Sales so far are 238,000 pounds in excess of last year. The Farm Bureau has also sold 4,500 tons of basic slag.

The Louisiana Farm Bureau Cotton Association estimates that it has saved its members more than \$250,000 above street prices in its five years of operation. In addition to the increased returns, the association has aided the members in financing their crops and has given them the satisfaction of knowing that their cotton is correctly graded and stapled and sold on the basis of its true quality.

Members of the Brown County Farm Bureau, Illinois, recently purchased 46 car loads of limestone which was shipped into the county in a solid train. Eighteen of the 46 cars were unloaded between stations on sites selected by the farmers who bought the limestone. The railroad company furnished a special crew and each purchaser furnished two men for each car he bought, making a crew of 36 men who unloaded the 18 cars in seven and one-half hours.

The Washington Cooperative Egg and Poultry Association, Seattle, won seven awards for its exhibits at the fifth annual Washington International Egg Show, held in connection with the 29th Western Washington Fair in September. The show contained 511 individual exhibits, each entry consisting of 12 eggs. Only one entry in each class was permitted to any exhibitor. Each entry was scored for weight per dozen, then each egg scored for a number of characteristics.

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